



January 27, 2004

SENATE BILL No. 327

DIGEST OF SB 327 (Updated January 26, 2004 11:18 am - DI 73)

Citations Affected: IC 4-4; noncode.

Synopsis: Microenterprise partnership program. Requires the department of commerce to establish a microenterprise partnership program to provide grants to community based or nonprofit organizations for the purpose of providing business development services and loans to businesses with fewer than five employees.

Effective: July 1, 2004.

Simpson

January 12, 2004, read first time and referred to Committee on Economic Development and Technology.
January 26, 2004, amended, reported favorably — Do Pass.

C
o
p
y

SB 327—LS 7108/DI 44+



January 27, 2004

Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

C
o
p
y

SENATE BILL No. 327

A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 4-4-32 IS ADDED TO THE INDIANA CODE AS
- 2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
- 3 1, 2004]:
- 4 **Chapter 32. Microenterprise Partnership Program**
- 5 **Sec. 1. As used in this chapter, "department" means the**
- 6 **department of commerce.**
- 7 **Sec. 2. As used in this chapter, "microenterprise" means a**
- 8 **business with fewer than five (5) employees. The term includes**
- 9 **startup, home based, and self-employed businesses.**
- 10 **Sec. 3. As used in this chapter, "microloan" means a business**
- 11 **loan of not more than twenty-five thousand dollars (\$25,000).**
- 12 **Sec. 4. As used in this chapter, "microloan delivery**
- 13 **organization" means a community based or nonprofit program**
- 14 **that:**
- 15 **(1) has developed a viable plan for providing training, access**
- 16 **to financing, and technical assistance to microenterprises; and**
- 17 **(2) meets the criteria and qualifications set forth in this**

SB 327—LS 7108/DI 44+



1 chapter.

2 Sec. 5. As used in this chapter, "operating costs" refers to the
3 costs associated with administering a loan or a loan guaranty,
4 administering a revolving loan program, or providing for business
5 training and technical assistance to a microloan recipient.

6 Sec. 6. As used in this chapter, "program" refers to the
7 microenterprise partnership program established under section 7
8 of this chapter.

9 Sec. 7. (a) The department shall establish the microenterprise
10 partnership program to provide grants to microloan delivery
11 organizations.

12 (b) A grant provided under subsection (a) may not exceed
13 twenty-five thousand dollars (\$25,000).

14 (c) A microloan delivery organization receiving a grant under
15 this section must use the grant for the purposes set forth in this
16 chapter.

17 Sec. 8. To establish the criteria for making a grant to a
18 microloan delivery organization, the department shall consider the
19 following:

20 (1) The microloan delivery organization's plan for providing
21 business development services and microloans to
22 microenterprises.

23 (2) The scope of services provided by the microloan delivery
24 organization.

25 (3) The microloan delivery organization's plan for
26 coordinating the services and loans provided under this
27 chapter with those provided by commercial lending
28 institutions.

29 (4) The geographic representation of all regions of the state,
30 including both urban and rural communities and
31 neighborhoods.

32 (5) The microloan delivery organization's emphasis on
33 supporting female and minority entrepreneurs.

34 (6) The ability of the microloan delivery organization to
35 provide business training and technical assistance to
36 microenterprises.

37 (7) The ability of the microloan delivery organization to
38 monitor and provide financial oversight of recipients of
39 microloans.

40 (8) The sources and sufficiency of the microloan delivery
41 organization's operating funds.

42 Sec. 9. A grant received by a microloan delivery organization

C
o
p
y



may be used for the following purposes:

- (1) To satisfy matching fund requirements for federal or private grants.
- (2) To establish a revolving loan fund from which the microloan delivery organization may make loans to microenterprises.
- (3) To establish a guaranty fund from which the microloan delivery organization may guarantee loans made by commercial lending institutions to microenterprises.
- (4) To pay the operating costs of the microloan delivery organization. However, not more than ten percent (10%) of a grant may be used for this purpose.

Sec. 10. Money appropriated to the program must be matched by an equal amount of money derived from any of the following nonstate sources:

- (1) Private foundations.
- (2) Federal sources.
- (3) Local government sources.
- (4) Quasi-governmental entities.
- (5) Commercial lending institutions.
- (6) Any other source whose funds do not include money appropriated by the general assembly.

Sec. 11. At least fifty percent (50%) of the microloan money disbursed by a microloan delivery organization must be disbursed in microloans that do not exceed ten thousand dollars (\$10,000).

Sec. 12. The department may adopt rules under IC 4-22-2 to implement this chapter.

Sec. 13. (a) The microenterprise partnership program fund is established to provide money for the department to use in carrying out the duties specified under this chapter. The fund shall be administered by the department.

(b) The fund consists of money appropriated by the general assembly.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

(d) Money in the fund at the end of a state fiscal year does not revert to the state general fund or any other fund.

SECTION 2. [EFFECTIVE JULY 1, 2004] (a) As used in this SECTION, "fund" refers to the microenterprise partnership program fund established by IC 4-4-32, as added by this act.

(b) There is appropriated to the fund two hundred fifty

**C
o
p
y**



- 1 thousand dollars (\$250,000) from the state general fund to carry
2 out the purposes of IC 4-4-32, as added by this act.
3 (c) This SECTION expires July 1, 2005.

**C
o
p
y**



COMMITTEE REPORT

Madam President: The Senate Committee on Economic Development and Technology, to which was referred Senate Bill No. 327, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 3, delete lines 39 through 42, begin a new paragraph and insert:

"SECTION 2. [EFFECTIVE JULY 1, 2004] (a) As used in this SECTION, "fund" refers to the microenterprise partnership program fund established by IC 4-4-32, as added by this act.

(b) There is appropriated to the fund two hundred fifty thousand dollars (\$250,000) from the state general fund to carry out the purposes of IC 4-4-32, as added by this act.

(c) This SECTION expires July 1, 2005."

and when so amended that said bill do pass.

(Reference is to SB 327 as introduced.)

FORD, Chairperson

Committee Vote: Yeas 9, Nays 0.

C
o
p
y

